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THIRD COUNTRY PROGRAMME FOR THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

UNDP assistance requested by the Government of Lao PDR for the period 1980-1985

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BASIC DATA*

(1) Area 236,800 sq km
(2) Population 3.2 million (1978)
(3) Density 13 per sq km
(4) Rate of growth 2.4%
(5) Population characteristics (1977):

Age	Percentage
0-14 years	41.7%
14-44 years	43.9%
45 years and above	14.4%

Crude birth rate (per 1,000) 45
Crude death rate (per 1,000) 23
Infant mortality rate (per 1,000 live births) 200

(6) Labor force (1977) 1.6 million
(7) Health (1977) Population per physician 30,800
Population per hospital bed 458

(8) Gross National Product (1977) $290 million
GNP per capita (1977) $ 90

(9) External trade (1977)

Exports $ 8.9 million
Imports $ 33.4 million

Merchandise exports (average 1976-1978)

	$ million	%
Timber and woodproducts	2.2	23
Tin in concentrate	1.1	12
Coffee	3.5	40
All other commodities including electricity	2.3	25
Total	8.8	100

(10) Rate of exchange (as of January 1980) US $1 = 10 Kip

(11) Education (1977)

	Number of Schools	Teaching Staff	Enrollment
Primary level	1,435	11,484	459,360
Secondary level (general)	270	2,245	60,600
Secondary level (vocational)	45	681	10,082
Higher level	2	144	1,088

(12) Administrative units

Provinces (Khoueng)	13
Districts (Muong)	105
Communes (Tasseng)	825
Villages (Ban)	10,197

* Sources: Government and World Bank estimates.

I. INTRODUCTION

A. Country Programme Exercise

1. With the establishment of the new Government in 1975, the Second Country Programme for Laos, which had been approved for the period January 1975 to December 1979 no longer constituted a valid framework for UNDP cooperation. Instead, a measure of ad hoc programming had to be resorted to, corresponding to the most urgent tasks of national reconstruction.

2. Following a series of meetings between the Government, the UNDP and the Specialized Agencies starting in June 1979, the details of the Third Country Programme were finalized during November 1979. This programme reflects the Government's wish to present to UNDP a coherent statement of priorities even though the Five-Year Plan for the period 1981 to 1985 is yet to be elaborated. It was felt, however, that sufficient information was available concerning the Government's objectives and priorities to make it possible to outline and articulate a programme of UNDP assistance over the next six years.

3. The Country Programme was prepared as a result of close consultations between all parties concerned in the Government and the United Nations System. Consultation with donors outside the UN System prevented overlapping and permitted complementarity of inputs.

4. Extensive use was made of existing documentation such as official government statements, the Three-Year Interim Plan (1978-1980), sectoral plans, reports and documents in order to ensure the harmonization of the Country Programme with the objectives and priorities set by the Government.

5. Several Specialized Agencies and UNDP prepared a number of sectoral reports identifying projects for inclusion in the programme. At the end of each sectoral statement which will be found in Section III, a summary is given of both ongoing and new projects, with a brief description of project objectives, outputs, duration and cost.

B. Duration, Time-Frame and Anticipated Resources

6. While the Third Country Programme covers the last year of the Three-Year Interim Plan (1978-1980) and the entire span of the forthcoming Five-Year Plan (1981-1985), it also stretches over the last two years of the second IPF cycle (1980-1981) and the first four years of the third cycle (1982-1985).

7. The Governing Council approved an IPF of $17.75 million for the Lao PDR for the second cycle from 1977 to 1981. As a result of temporary under-expenditures in 1977 and 1978, $4.555 million are expected to be available in 1980 and $4.492 million in 1981. Thereafter, budget levels are presently permitted to reach only one-fifth of the unadjusted second cycle IPF, or $3.55 million per year. For the time being, therefore, UNDP net programming resources during the Country Programme period (1980-1985) are set at $23.247 million, as shown in the following table:

1980-1985 IPF Distribution (in US $ millions)

1980	1981	1982	1983	1984	1985	TOTAL
4.555	4.492	3.550	3.550	3.550	3.550	23.247

8. It is, however, the earnest hope of the Government that additional resources will be made available to the neediest countries which, like the Lao PDR, are landlocked, least developed (LDC), most severely affected (MSA) and food deficit (FDC). Confident that additional assistance will be forthcoming, the Country Programme, while remaining approximately within already available resources, foresees the need for annual commitment levels higher than the current annual expenditure ceilings. Provision for adequate programming allowance of 24% for 1980 and 8% for 1981 is considered indispensable to ensure an appropriate level of disbursement during the programming period. While the country programme has allowed for inflation, it does not provide for any reserve for unforeseen requirements. On the contrary, a number of projects have been identified for implementation as soon as additional resources become available. Similarly, several projects presently planned for implementation in the latter part of the Country Programme period could be advanced, should increased resources become available.

C. External assistance

9. It is the Government's policy to welcome external assistance from bilateral, multilateral and non-governmental sources. Since 1975, bilateral aid programmes have supplied commodities such as foodstuffs, medicines, building materials and other supplies, technical expertise, and large number of fellowships. The UN System is primarily sponsoring rehabilitation and development activities in the fields of agriculture, livestock, fisheries, small-scale industry (including wood processing, rice milling and ceramics), communications, education, health and relief[1/]. The World Bank, the Asian Development Bank, OPEC, and the EEC are concentrating on rehabilitation and development projects in the fields of agriculture and agro-based industries such as wood processing.

10. The Lao PDR is a member of the Interim Mekong Committee composed of Laos, Thailand and Vietnam. Within that framework, socio-economic activities are expanding with the assistance of the UN System and several donor countries. The main fields of activity in Laos are irrigation, flood control, inland fisheries development, navigation and hydrography.

11. The new administration is proceeding on the one hand, with rehabilitation and development activities, and, on the other hand, is becoming familiar with the procedures and criteria of the external assistance agencies operating in Lao PDR. It is, therefore, anticipated that the absorptive capacity as well as the pace of implementing development projects will progressively increase.

D. Assessment of prior experience relating to UNDP assistance

12. The Government, in consultation with UNDP, has undertaken an assessment of previous experience as a part of the country programming exercise. In view of the profound political, social and economic changes which have taken place since the establishment of the new Government in 1975, the assessment could only deal with the programme implemented during the period from 1976 to mid-1979. The salient features of this assessment may be summarized as follows:

1/ See Annex II for details on assistance provided by organizations of the United Nations System other than UNDP.

(a) In the aftermath of many years of conflict, the Government's priorities were the resettlement of displaced persons, and rehabilitation and development activities aimed at making the country self-sufficient in food. UNDP assistance was concentrated in the agriculture sector for the purpo s of increasing crop production, primarily rice, in order to meet the population's needs for food.

(b) Because of a serious drought in 1977 and floods in 1978, UNDP funds were used to meet emergency needs for irrigation pumps, seeds, fertilizers, pesticides and other agricultural inputs. At the Government's request, the UNDP office assisted in co-ordinating emergency assistance programmes and helped mobilize external aid for this purpose. As a result of this exercise, close to 100,000 tons of foodstuffs (mostly rice) were supplied in connexion with the drought and about 60,000 tons for the flood emergency programme. Agricultural inputs were also made available by some donors.

(c) As government structures and management evolved, many projects were formulated and approved. UNDP-assisted projects began to expand geographically from the Vientiane Plain, where they were largely confined during the years preceding 1975, into the provinces located in central and southern Laos, which have good economic potential.

(d) In view of the acute shortage of trained manpower, many projects provided for short-term stop-gap training activities, often at an elementary level. Progressively such activities are being absorbed and integrated into more permanent institutions which provide agricultural and technical education at introductory to middle levels.

(e) UNDP started to provide technical expertise, equipment and training in support of World Bank (IDA) and AsDB assisted projects. Operational co-operation with UNICEF, UNHCR, UNFDAC and others was initiated during the period.

(f) Project implementation is gradually building momentum following the programming efforts of the last two to three years. The main problems were delays in the importing of equipment and supplies due to Laos being landlocked. However, with the recent trade agreement reached between Laos and Thailand, the situation has improved. Serious difficulties were experienced in filling expert posts. In an effort to secure the necessary expertise, a number of technicians and specialists were recruited under special service agreements. However, despite efforts by the Executing Agencies to fill posts, there were still vacancies which were, at mid-1979, causing delays in project implementation. Because of the lack of trained national manpower, foreign specialists and technicians are often required to give technical advice as well as to perform operational activities. However, as many Lao students are being trained abroad at middle and higher levels, the situation is expected to improve in the years to come.

II. DEVELOPMENT PERSPECTIVE

A. General

13. Laos, a landlocked country with an area of 236,800 square kilometers, is sparsely populated with mountain and highland areas in the northern and eastern parts (average 1,000 to 2,000 meters), and lowland areas adjacent to the Mekong River which traverses the country from the north to the south. The majority of its

over three million people live in the plains of the Mekong River and its tributaries cultivating rice, which is the staple food of the country.

14. One of the poorest countries in the world, if measured in terms of per capita (estimated at $90 in 1977), Laos nevertheless possesses forests for timber production, untapped mineral resources and a vast hydro-electric potential. The lack of capital, trained manpower and technology as well as the absence of developed roads and communications networks have prevented the development of these potentials. Furthermore, the country's socio-economic development has been seriously hampered over the past thirty years by war.

15. Since 1975, the Government has been tackling the enormous task of resettling displaced persons, and rehabilitating and developing the economy.

16. Basic Government policies include the attainment of self-sufficiency in food production as early as possible and progressive introduction of a co-operative and state-enterprise system. However, the new Government's tasks have been seriously hampered by natural calamities which caused food shortages over the period from 1976 to 1978. After a minor drought in 1976, an unprecedented drought struck the country in 1977. As a result over 90,000 tons of foodstuffs were provided through international assistance. In 1978, large parts of the rice belt (the provinces of Champassak, Savannakhet, Khamouane and Vientiane) were flooded, necessitating international relief assistance of about 60,000 tons of foodstuffs.

B. Development planning, objectives and priorities

17. The development of the country is based on the Government's policies and objectives as reflected in the Three-Year Interim Plan covering the period from 1978 to 1980, which is to be followed by a five-year plan covering the period from 1981 to 1985. The Government's main objectives and priorities can be summarized as follows:

(a) Self-sufficiency in food through irrigation and double cropping. A vast irrigation programme foresees an increase from the present 12,000 ha of irrigated land to over 78,000 ha over the next three to five years;

(b) Resettlement of displaced persons;

(c) Reorganization of agricultural and forestry production;

(d) Progressive introduction of a co-operative system;

(e) Industrial development, based on development of the country's resources, will be undertaken in due course. The main emphasis will be on agro-industries, utilizing locally available raw materials (e.g. wood, coffee and other cash crops);

(f) Increased livestock production (buffaloes, cattle, goats, pigs and poultry), and expansion of veterinary services;

(g) Reconstruction and expansion of the road network. As of 1979, approximately 2,500 km were rehabilitated or constructed. In addition to the existing sea-link being developed with Thailand, a second outlet is being developed with Viet Nam.

(h) Resettlement of mountain people, abandonment of slash and burn agriculture, and crop substitution for poppy cultivators;

(i) Expansion of educational facilities and increased literacy and establishment of vocational schools; and

(j) Improvement of health through the expansion of basic health facilities throughout the country.

18. The Government is gradually building up an administration capable of guiding the efforts made by central government officials, local authorities and the population at large towards the attainment of these objectives. Under a system of decentralized management, the provincial authorities have the main responsibility for carrying out development programmes and projects.

III. DEVELOPMENT OBJECTIVES, PROGRAMMES AND UNDP ASSISTANCE BY SECTOR

19. The highest priority of the Lao PDR's development programme is to increase food production in order to ensure adequate supplies to the population, to reduce the dependence in imports (and the consequent drain on foreign exchange) and to increase exports of cash crops such as coffee. It is also considered essential to protect agricultural production from natural disaster such as the droughts of 1976 and 1977 and the floods of 1978. Agricultural development is also expected to lead to the development of the rural economies and improve the income levels and consequently the standard of living of the rural population, as well as to provide a basis for the standard of living of the rural population, as well as to provide a basis for agro-industries. Therefore, much of the Government investment, as well as bilateral and multilateral assistance, is being channelled into the agricultural sector. In accordance with the Government's priorities, UNDP assistance during the third-cycle country programme is being directed mainly at increasing food production, with particular emphasis in irrigation, flood control and livestock development.

A. Agriculture, livestock, fisheries and forestry

20. Eighty per cent of the population derives the bulk of its income from this sector which accounts for over sixty per cent of the national income. It also provides the basis for agro-industries such as rice milling and wood processing.

(a) Agriculture

21. Traditionally, subsistence agriculture has been practised by farm families who normally till one to three hectares. Despite generally good agricultural potential and abundant land for cultivation, agricultural productivity is low and production irregular. In the fifties, sixties and early seventies, war activities damaged fertile land, particularly in the northern and eastern part of the country. Also, war caused close to 800,000 persons to leave their villages. Most of these people have now returned to their villages or have been resettled on new land.

22. In order to reduce damage from natural calamities as well as to increase agricultural production, the Government has embarked on a vast programme of irrigation development and flood control. Both central government and local authorities are mobilizing the population in constructing rural works.

23. In 1978, a three-year irrigation plan was prepared and adopted as a basis for allocating resources, planning, organizing and carrying out irrigation and hydraulics works throughout the country, with emphasis on the central and southern provinces. The aim is to gradually reduce rice imports which are estimated to be about 100,000 tons annually in recent years.

(i) Ongoing projects

Assistance to Irrigation (LAO/76/009)

24. This project aims at establishing an overall plan for the optimum utilisation of water resources in the country and preparing a programme of maintenance and construction of small irrigation and drainage works. The project is also training technical personnel through fellowships and in-service training.

25. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

26. The project started in 1978 and will continue until 1982. The UNDP total contribution is estimated at $854,126, of which $409,000 is to be provided from January 1980 onwards.

Agricultural Planning (LAO/76/011)

27. The aim of this project is to assist in preparing an agricultural development plan which will find its place in the national development plan now under preparation. The project also identifies investment projects, carri-s out feasibility studies, supe-vises and evaluates ongoing agricultural development projects and co-ordinates them in the framework of the agricultural sector plan. A data bank is being set up within the Ministry, containing statistical data, reports, plans and programmes relevant to agricultural planning in the country. In-service training is provided to planning personnel from the Ministry and the provinces.

28. The Executing Agency is FAO and the Government Co-operating Agency is the Division for Planning Statistics and Finance, Ministry of Agriculture, Forestry and Hydraulics.

29. The project began in 1978 and will continue until 1980. The total UNDP inputs are expected to amount to $237,000, of which $60,000 are to be used from January 1980 onwards.

Rice Production (LAO/77/009)

30. This project is contained within the larger framework of the first IDA-financed project which totals -bout $8.2 million. The objectives of the UNDP project are to improve cultivation techniques for both rainfed and irrigated paddy, to breed new rice varieties, multiply seeds and provide scholarships abroad and locally to train nationals. The seeds produced are distributed to co-operative farms. Under this project, UNDP will provide inputs, starting in 1980, for intensification of rice production under co-operative farming.

31. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Agriculture, Ministry of Agriculture, Forestry and Hydraulics.

32. The project started in 1978 and is to continue until 1982. The total UNDP input will be about $1,093,991, of which $616,700 are to be spent from January 1980 onwards.

Seed Production LAO/77/011

33. This project, whose activities are being co-ordinated with other related UNDP projects as well as with the second IDA credit of $10.4 million, seeks to meet the seed requirements for the cultivation of rice and subsidiary crops. A National

Seed Multiplication Centre is being established to meet the requirements of farmers and co-operatives and a state farm is being developed for producing food grains for two animal feed factories near Vientiane. Under this project, technical personnel of the Ministry of Agriculture and from provincial agricultural services are being trained in seed and grain production.

34. The Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

35. The project started in 1979 and is to continue until 1982. The total UNDP input is estimated at $1,344,889, of which $1,145,000 are to be used from January 1980 onwards.

Agricultural Development of the Sé Bang Fai Plain (LAO/77/021)

36. This project aims at achieving regional self-sufficiency in price through improved water management and irrigation of the lower Sé Bang Fai Plain and at preparing for extensive flood control works in the Sé Bang Fai Flood Plain where flooding of some 20,000 ha of rice land causes heavy crop losses almost every year. The project has therefore undertaken feasibility studies for the construction of a floodway from the Sé Bang Fai to the Mekong River as a means of reducing flood damages by the Sé Bang Fai. In the framework of an integrated irrigation plan, the project will survey and design 15 flood control structures on tributaries of the Sé Bang Fai, construct and rehabilitate some structures and install irrigation pumps. Feasibility studies are also being undertaken on extending electrification to the Sé Bang Fai area.

37. The Executing Agency is the World Bank which has concluded an agreement with the Mekong Secretariat for assistance in the feasibility studies and the Co-operating Government Agency is the Directorate of Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

38. The project started in 1979 and is presently planned to continue until 1982. The total UNDP inputs are expected to be about $488,750, of which $121,000 are to be used from 1980 onwards.

Co-operative Training (LAO/78/001)

39. This project is to contribute to the implementation of the Government's policy of reinforcing and creating co-operatives for the reorganization and increase of agricultural production. The immediate objective of the project is to train future co-operative personnel in the field of management. A school, partly financed by UNDP, was built for this purpose in 1979.

40. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Agriculture, Forestry and Hydraulics.

41. The project started in 1978 and is to continue until June 1980. The total UNDP input is estimated at $303,000, of which $115,000 are to be used from January 1980 onwards.

Workshops for Maintenance and Repairs of Pumps (LAO/78/003)

42. In the framework of the Government policy for increasing the irrigated area for paddy cultivation, this project aims at strengthening irrigation services at all levels by establishing a maintenance workshop for hydraulic pumps in the Vientiane Province.

Following the completion of this project, the Government plans to establish two more workshops at Savannakhet and Pakse, respectively.

43. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

44. The project started in 1979 and is planned to continue until 1981. The UNDP total contribution is to be about $250,282, of which $224,000 are to be used from 1980 onwards. The next phase, which will start in 1982 and continue until 1985, will require about $800,000 in UNDP support.

Cartography Sé Bang Fai (LAO/78/011)

45. The development of agricultural projects in the Sé Bang Fai Plain has been hampered by the lack of detailed information on the topography and geology. This project will attempt to solve this problem by preparing maps of the area and taking aerial photographs of the upper basin of the Sé Bang Fai. Work will be executed by the National Geographic Service, using equipment provided by UNDP under an earlier project. Additional equipment is, however, required, together with expert services.

46. The Executing Agency is the United Nations Department of Technical Cooperation for Development and the Government Co-operating Agency is the National Geographic Service in the Ministry of Public Works.

47. The project began in 1979 and is expected to end in 1982. The total UNDP input is estimated at $399,289, of which $235,000 are to be used from January 1980 onwards.

Plant Protection (LAO/78/013)

48. This project will contribute to the Government's development objective of establishing a national plant protection service in the country through various service centre. The project's immediate objectives are to train a nucleus of qualified personnel, to establish four regional plant protection service centres, to develop plant protection advisory services and to establish a plant quarantine service.

49. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Agriculture in the Ministry of Agriculture, Forestry and Hydraulics.

50. The project started in 1978 and is to end in 1982. The total UNDP input to be about $662,309, of which $415,000 are to be used from January 1980 onwards. Starting in 1983, expansion is planned to other provinces, which will require additional inputs of about $300,000.

Casier Sud Irrigation (LAO/79/010)

51. This project aims at achieving regional self-sufficiency in food production through comprehensive agricultural development of the Casier Sud area which is located about 10 km southeast of Vientiane. This involves construction of a flood protection dike and a road along the Mekong to protect about 5,400 ha, as well as construction and rehabilitation of irrigation and drainage facilities.

52. Upon completion, the project would permit an increase in the annual production of paddy in the Casier Sud area from about four thousand tons to 16 thousand tons. This project is one of the pioneer projects with UNDP assistance under the auspices of the Mekong Committee. It will serve to demonstrate viable solutions to problems which are typical for large agricultural areas along the Mekong.

53. The Executing Agency is the Asian Development Bank, which has approved a loan of $7,000,000 in addition to an IFAD credit of $5,800,000, to finance the external costs of the construction work. The Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

54. The proposed UNDP contribution is estimated at $860,000 over a six-year period (1980-1985).

(ii) New Proposals

Integrated Irrigation Pilot Project in the Tha Pha Area (LAO/79/005)

55. In accordance with the policy of the Government to achieve self-sufficiency in food, particularly rice, within the shortest possible time, this project is concerned with flood control, irrigation and drainage on 535 ha in the Vientiane Plain which is to be developed as a pilot scheme.

56. Following surveys, detailed construction plans will be prepared and technical advice provided during construction of flood control and drainage facilities as well as during the initial period of agricultural production including water management and extension. The project will also undertake the training of local personnel in all stages of the development of a hydro-agricultural project.

57. The proposed Executing Agency is FAO and the Government Co-operating Agency will be the Directorate of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

58. The proposed UNDP contribution is estimated at $700,000 over a four year period (1980-1983).

Integrated Irrigation and Water Management in the Tha Sano Area (LAO/79/006)

59. The project is to be part of a major effort by the Government to plan and carry out irrigation projects throughout the country over the next five years with a view to becoming self-sufficient in food production as soon as possible through integrated irrigation, including water management, drainage and flood control.

60. Following surveys of the Tha Sano area of Savannakhet Province, engineering designs will be prepared for development of pump irrigation from the Mekong River on an area of 650 ha. As a second phase, an adjacent area of 900 ha will be brought under irrigation.

61. The proposed Executing Agency is the Government of the Lao PDR which will be represented for the purpose of such execution by the Directorate of Irrigation, Ministry of Agriculture, Forestry and Hydraulics. Equipment and material required for the project will be provided by UNHCR.

62. The proposed UNDP contribution is estimated at $430,000 over a period of three years (1980-1982).

Groundwater Reconnaissance Survey and Development (LAO/T9/007)

63. To achieve the Government objective of self-sufficiency in food production, it will be necessary to develop farming based upon groundwater irrigation.

64. The project proposes to undertake a hydro-geological reconnaissance survey in the Vientiane Plain and to develop a pilot farm in the Seno area (Savannakhet). The survey will serve as a basis for recommendations and a work programme for further investigation of groundwater potential for agricultural purposes.

65. The proposed Executing Agency is FAO and the Government Co-operating Agency will be the Directorate of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

66. The proposed UNDP contribution is estimated at $400,000 over a three year period (1983-1985).

Improvement in Irrigation Design and Construction (LAO/79/008)

67. This project aims at improving the performance of irrigation development programmes through the introduction of adequate planning, design and construction procedures and techniques, based upon scientific investigation of project sites and testing of construction materials and methods.

68. It is therefore proposed to strengthen the capacity of the Irrigation Department in performing surveys and investigations, to establish and equip a central laboratory with facilities to conduct materials testing, to investigate geological features and hydraulic characteristics of equipment, and establish small laboratories or mobile testing units in the provinces. Training of national staff is also an essential part of the project.

69. The proposed Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

70. The proposed UNDP contribution is estimated at $950,000 over a three year period (1983-1985). In view of high priority given to this project, it will be implemented earlier as soon as resources become available.

Establishment of a Regional Agricultural School in Champassak (LAO/79/009)

71. The project foresees the establishment of a new three-year agricultural school which is to graduate 100 technicians/extension workers annually. Teaching programmes will be developed in the fields of crop production, livestock husbandry, irrigation and drainage, and forestry. The teaching staff will be upgraded. Building plans will be developed for submission to possible bilateral donors. Essential items of instruction and research equipment will be supplied. The project will, to a limited extent, assist the Regional Agricultural Schools of Vientiane and Luang Praband. In a preparatory assistance phase, the project document will be finalized and activities of the forestry faculty will be launched on a priority basis.

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72. The Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

73. The project is likely to start in 1982 and is planned to continue until 1985. It is hoped, however, that resources will be available to enable earlier implementation of this project to which the Government attaches high priority. The total UNDP input is estimated at $1,644,000.

Soil Inventory and Fertilization (LAO/79/016)

74. This project, which is to follow-up on the activities of LAO/74/014 - Soils Inventory and Classification - aims at the establishment of a national pedology service to supply all the necessary information on the distribution and properties of soils and their production potentials for the planning of agricultural development. The project is also to train national personnel in techniques of soil prospection and classification, establish research methodologies, draft agro-pedological maps and provide necessary equipment.

75. The proposed Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

76. The proposed UNDP contribution is estimated at $526,000 over a three year period (1981-1983).

Tomo Irrigation Project (LAO/79/019)

77. This project is of a pioneering nature in the Champassak Province. The equipment made available and the experience gained through the project will be utilized for the implementation of similar projects elsewhere in the Province. Equipment and materials worth $815,000 will be provided by UNHCR.

78. The project aims at increasing food production by providing irrigation to existing rain-fed paddy fields and newly reclaimed fields, in particular by completing the existing irrigation project (1,100 ha) and developing new paddy fields covering an area of 900 ha.

79. The Executing Agency is the Government of the Lao PDR, which will be represented for the purpose of such execution by the Directorate of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

80. The UNDP contribution is estimated at $120,000 over a three year period (1980-1982).

Irrigation Vocational Training (LAO/79/020)

81. There is an absolute shortage of skilled irrigation workers to act as assistants to technicians and leaders of unskilled workers. As the labour intensive construction method, mobilizing the local populations, is the preferred means for executing small-scale irrigation projects, the training of supervisors is indispensable to attaining the planned irrigation development goals. Therefore, the project aims at establishing four provincial vocational training centres for irrigation workers, conducting intensive training programmes for 480 workers in the classroom and in the field and evolving training methodologies to be used to expand the programme to the rest of the country.

82. The proposed Executing Agency is the Government of the Lao PDR which will be represented for the purpose of such execution by the Directorate of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics.

83. The proposed UNDP contribution is estimated at $217,000 over a three year period (1980-1982).

Senior Irrigation Adviser (LAO/79/021)

84. In view of the increasing emphasis on the field of irrigation and, in particular, the expanding externally financed technical assistance programme, this project responds to the Government's desire to avail itself of the services of a Senior Irrigation Adviser whose tasks will include: 1) monitoring of all activities under the responsibility of the Directorate of Hydraulics and Irrigation at the national level, 2) providing the necessary back-up for projects executed by the Government, 3) assisting in all stages of project preparation (i.e. identification, feasibility studies and formulation), and 4) assisting the Directorate as and when required in such substantive tasks as preparation of bidding documents, evaluation of bids, preparation of progress and technical reports.

85. The Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

86. As funds are not presently available, this four-year project is planned to start in 1982. However, it will be advanced if funds become available earlier. The total UNDP input is estimated at $ 40,000.

National Project for Agricultural Training and Extension (LAO/79/027)

87. This project is to be a follow-up of TCP 6/LAO/03/T - Accelerated Training of Agricultural Extension Workers - and will have as its main objectives:

- To construct and equip a Centre National de Formation et de Vulgarisation Agricole. The Centre will provide six months training courses for 150 trainees per course. It is planned to establish four training courses during the three years' duration of the project, thus providing training of 600 extension workers.
- To construct and equip 13 provincial Centres d'Expansion Rurale each of them providing three months' training for 120 village level extension workers. It is envisaged that the project will train 9,360 extension workers of this category.

88. The proposed Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Agriculture, Forestry and Hydraulics.

89. The proposed UNDP contribution is estimated at $ 899,000 over a three year period (1983-1985).

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Rehabilitation and Development of Mechanical Workshops (LAO/79/028)

90. As part of its Agricultural Development Project III, IDA has been requested to provide capital for the establishment of a new workshop for heavy agricultural equipment in Vientiane Province and for the rehabilitation of existing workshops in the provinces of Savannakhet and Champassak. The UNDP supported project will include the services of three mechanics to assist in the installation of the equipment, in the management of the workshops and in training.

91. The proposed Executing Agency is FAO and the Government Co-operating Agency will be the Ministry of Public Works and the respective provincial authorities.

92. The proposed UNDP contribution is estimated at $ 438,000 over a three year period (1980-1982).

Pump Irrigation Schemes (LAO/79/031)

93. This project will provide the services of a team of consultants to assist in the overall planning as well as in the design and construction of small irrigation schemes varying in size (50 to 300 ha.) from the Mekong and its major tributaries in Champassak, Savannakhet and Khammouane provinces.

94. Equipment and construction costs will be met from an AsDB loan. AsDB is also the proposed Executing Agency. The Government Co-operating Agency will be the Department of Hydraulics and Irrigation, Ministry of Agriculture, Forestry and Hydraulics, in association with the provincial governments concerned.

95. The proposed UNDP contribution is estimated at $420,000 over a three year period (1980-1982).

(b) Livestock

96. Most farmers raise buffaloes as draft animals, have one or two pigs and 10 to 20 poultry. Meat production is presently insufficient to provide enough animal protein in the diet. Livestock weaning rates are modest due to low genetic potential, insufficient fodder and the widespread occurrence of disease. In order to develop this sector the Government's Three-Year Plan for Livestock and Veterinary Medicine aims at promoting livestock development, collectively and privately.

97. Besides the projects listed below, UNDP is providing assistance in training middle and lower-level veterinary personnel under LAO/78/008 - Central Service of Pathology and Clinical Diagnosis - which is financed under the Fund for Least Developed Countries.

(i) Ongoing Projects

Veterinary Animal Health Institute (LAO/77/001)

98. This project is to help fulfil the objective of the Government of increasing the production of livestock through the reduction of the disease and mortality rates among livestock in the country. The veterinary institute will organize two

services of production (bacteriology and virology) and three services of diagnostics (bacteriology, virology and parasitology) in its new veterinary complex. The project will pursue the production of already existing vaccines and introduce new bacterial and viral vaccines to the country. The necessary technical personnel will also be trained at the Institute, and a centre will be created for documentation.

99. The Executing Agency is the FAO and the Government Co-operating Agency is the Directorate of Animal Husbandry and Veterinary Services in the Ministry of Agriculture, Forestry and Hydraulics.

100. The project started in 1978 and is to continue until 1981. The total UNDP input is estimated at $ 1,740,120, of which $ 900,000 are to be used from January 1980 onwards.

Pig Multiplication (LAO/77/008)

101. This project, which follows up on the activities of LAO/75/008 - Pig Production - is providing technical assistance in implementing a pig multiplication scheme for which financing has been provided by IDA. The project will set up four pig multiplication units to produce about 14,000 piglets per annum, corresponding to about 65 per cent of Vientiane's estimated requirements by 1985. On-the-job training will also be provided to local personnel.

102. The Executing Agency is FAO and the Government Co-operating Agency is the Directorate of Livestock and Animal Health, Ministry of Agriculture, Forestry and Hydraulics.

103. The project started in 1978 and is to continue until the end of 1981. The total UNDP input is to be about $405,226, of which $227,000 are to be spent from January 1980 onwards.

(ii) New Proposals

Creation of a Veterinary School (LAO/79/015)

104. The immediate objective of the project is to train medium level livestock workers needed for the various livestock development programmes of the Government. In due course, the Veterinary School is expected to train qualified veterinarians able to conceive, plan and implement livestock programmes at all levels.

105. The proposed Executing Agency is FAO and the Government Co-operating Agency is to be the Directorate of Livestock, Ministry of Agricllture, Forestry and Hydraulics.

106. The proposed UNDP contribution is estimated at $2,600,000 over a three-year period (1983-1985).

(c) Fisheries

107. Fish is very much appreciated in the Lao diet, but is not widely available. As an additional source of protein, fish production is encouraged by the Government. Fish is available in the Mekong and its tributaries, the reservoir of the Nam Ngum dam (Vientiane Province) and in local fish ponds.

(i) Ongoing Projects

Rehabilitation of Fish Seed Farms and Fishculture Development (LAO/78/014)

108. The project is aimed at increasing income and improving the food intake of the population by fish culture development. It intends to rehabilitate, expand, improve and operate five existing fish seed farms in Pakse, Savannakhet, Luang Prabang, Xieng Khouang and Houa Phan provinces. These fish seed farms will be equipped with hatchery equipment tools and, through demonstration and training, extension workers and fish farmers will be introduced to improved techniques.

109. The Executing Agency is FAO and the Government Cooperating Agency is the Department of Livestock and Fisheries, Ministry of Agriculture, Forestry and Hydraulics.

110. The project started in 1979 and is planned to continue until 1982. The total UNDP input is estimated at $577,047, of which $571,000 are to be used from January 1980 onwards.

(d) Forestry

111. Forests, which are estimated to cover 40 to 50 per cent of the country's total area, are one of the main sources of wealth in Laos. In the short and medium-term, timber and wood products are among the most promising foreign exchange earners, with employment generation as an important side benefit.

112. The prospects for expansion of the timber and woodproducts industry are good. Exports in the order of 250,000 to 300,000 cu.m. per year appear to be possible in the near future. A project to improve logging and wood-processing activities in the Vientiane Province started in 1979 under an AsDB loan (see under Industry).

B. Industry

113. The industrial sector is still at an early stage of development. It consists mainly of rice-milling, wood-processing, production of detergents, cigarettes, matches, beer, soft drinks and small mechanical and electrical workshops. Traditional crafts and small-scale industries have existed for centuries such as spinning and weaving of cotton and silk, bamboo and rattan working, pottery and woodcarving. In the short and medium term, the Government is giving priority to agro-industries which save foreign exchange and create employment.

(a) Ongoing Projects

Integrated Woodworking (LAO/74/010)

114. Under this project, large-scale technical assistance was provided over a number of years in woodworking, drying, finishing, plant maintenance and production management. Equipment and supplies were provided for the construction and equipping of a furniture factory which is expected to be completed by April 1980. The services of a project co-ordinator and a civil engineer will be provided under this project until completion of the factory. Further provisions for draining will be considered under a category two project as an when resources become available.

115. The Executing Agency is UNIDO and the Government Co-operating Agency is the Forestry Department, Ministry of Agriculture, Forestry and Irrigation.

116. The total UNDP input is estimated at $1,060,689, of which about $40,000 are to be used from January 1980 onwards.

Development of Forest Utilization and Industry (LAO/78/012)

117. This project promotes the development of forestry resources by increasing the production of plywood and veneer for export as well as furniture-grade sawnwood. The immediate objectives are the rehabilitation of the Lao Plymill and the existing saw-mill at the Lao Plymill, installation of a blockboard plant, briquetting press and kilns, establishment of pilot road construction and logging operations expansion of nursery facilities and training of technicians in these fields.

118. The Executing Agency is the Asian Development Bank, which also finances the foreign exchange cost of equipment and supplies. The Government Co-operating Agency is the Forestry Department, Ministry of Agriculture, Forestry and Irrigation.

119. The project started in September 1979 and is presently planned to continue until 1981. The total UNDP input is to be about $487,000 dollars, of which $402,000 are to be used from January 1980 onwards.

Establishment of a Modern Rice Mill (LAO/78/016)

120. This project is establishing a modern rice mill which is to serve as a model for other rice mills in the country, and hopefully attract external financing for additional rice mills in the Lao PDR. Other immediate objectives are to train national personnel in the operation of the rice mill, the preparation of a programme for the utilization of by-products from rice processing, and the improvement of rice and paddy storage buildings. Under an extension now under consideration, technical assistance and trainingwill be provided by UNDP in support of the third IDA loan project which, inter alia, is to rehabilitate and expand mills in the provinces of Vientiane, Savannakhet and Champassak.

121. The Executing Agency is FAO and the Government Co-operating Agency is the Ministry of Industry and Commerce.

122. The project started in 1978 following recommendations made by the Food Security Unit of FAO and is expected to continue until April 1980. The total UNDP input is estimated at $451,652, of which $33,400 is to be spent from January 1980 onward. The expanded project will require an additional UNDP input of about $615,000 over a three-year period (1980-1982).

Educational Material Production (LAO/79/003)

123. The objectives of this project are to establish a centralised production unit for the design and production of simple teaching materials and to train personnel in management and production of teaching materials, thereby contributing to the improvement of basic education at the primary school level. Equipment and raw materials are being supplied by UNICEF.

124. The Executing Agency is UNESCO and the Government Co-operating Agency is the Ministry of Education, Sports and Culture.

125. The project was signed in October 1979 and is planned to continue until September 1983. The total UNDP input is to be about $178,000 over a three-year period.

(b) New Proposals

Coffee Processing (LAO/78/025)

126. This project will provide technical services in coffee processing to assist in design, construction and installation of equipment at a coffee mill in Champassak which will be funded from the third IDA loan project.

127. The Executing Agency is proposed to be FAO and the Government Co-operating Agency will be the Ministry of Industry and Commerce.

128. The proposed UNDP contribution is estimated at $233,000 over a three-year period.

Agricultural Tools Manufacturing (LAO/79/018)

129. This project will provide support to the 555 Factory and Lao Industries to enable them to produce and supply agricultural tools. The cost of equipment, imported raw materials and construction will be provided from an AsDB loan. Consultants will assist in formulating production plans, preparing specifications and tender documents, installation and production of tools, and training of factory workers.

130. The Executing Agency will be AsDB and the Government Co-operating Agency will be the Ministry of Industry and Commerce.

131. The proposed UNDP contribution is estimated at $180,000 for consultancies and training over a three-year period (1980-1982).

Rice Mill and Paddy Storage (LAO/79/030)

132. Following recommendations by the Food Security Unit of FAO, to meet the immediate need for rice mills, paddy storage and transport in Xieng Khouang Province, an AsDB loan was granted for two mills and five mobile units, six paddy stores and four trucks. Assistance from UNDP has been requested to provide the services of consultants for selecting the location of the mills and storage facilities, the design of the buildings and drawing up tender documents and, at a later stage, assisting in the installation and commissioning of the new rice mills.

133. The proposed Executing Agency is AsDB and the Government Co-operating Agency will be the Ministry of Industry and Commerce.

134. The proposed UNDP contribution is estimated at $35,000 for five-month consultancies in 1980 and 1981.

135. In addition to the above, Category II projects have been identified in Salt Production, Quality Control of Cigarette Manufacturing and Drying of Tobacco, which are to be implemented as and when resources become available.

C. Mining

136. Laos has a vast potential for the development of minerals and hydropower. It is widely held that this sector could finance the country's long-term development

needs. At present, however, only tin is mined for export, with technical assistance provided bilaterally, and the Government has chosen to concentrate UNDP assistance in other sectors.

D. Hydro-power

137. Studies undertaken under the auspices of the Mekong Committee have determined the great potential for hydro-power development in Laos. Favourable sites have been identified both on the Mekong River and its tributaries. Financing of medium-sized hydro-electric schemes which cost hundreds of millions of dollars may become more attractive in the future as a foreign exchange earner for Laos.

138. UNDP assistance will be requested to finance feasibility studies for such projects under a Category II project to be implemented if and when funds become available.

E. Transport and Communications

139. Laos is a landlocked, mountainous country, with a widespread population, and poor communications. The road network, consists primarily of an all-weather, partially paved road from Luang Praband, via Vientiane to the Lao-Kampuchea border (No.13), and a road, partially destroyed during the war, from Savannakhet to Vietnam (No.9).

140. The Mekong River is a means of river transport of international character and fundamental importance to the co-operation between the riparian countries, and under the auspices of the Mekong Committee, studies have been carried out and a number of works undertaken to improve conditions for navigation on the Mekong both for line-haul and for cross-haul ferry traffic.

141. Air transport links all provinces and the main cities on a regular basis. The fleet consists of medium-size planes and helicopters. There is an urgent need to provide additional equipment and spare parts since much of the existing civil aviation infrastructure is out of order.

142. The country's telecommunications network is very limited, linking only the main cities. Due to the age of the equipment and the shortage of skilled personnel, services are unreliable.

143. In addition to the IPF-funded projects listed below, UNDP is supporting projects for labour intensive road building (LL/LDC funds), soil testing (LL/LDC funds), procurement of one river barge unit, (LL/LDC funds) and civil aviation training (LDC funds).

(a) Ongoing Projects

Navigational School and Training of Hydrographers (LAO/78/017)

144. This project aims at completing buildings for a Navigation Training Centre and to carry out training of hydrographers as the first training activity to take place in the Centre.

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145. The training project is inter-related with other navigational improvement programmes planned by the Government and identified by the Mekong Committee, e.g. establishment of a shipyard in Vientiane, dredging between Vientiane and Keng Kabao, and the establishment of a transit port at Keng Kabao. All of these activities are dependant on reliable hydrographic information and it is of vital importance that trained technical personnel are available to carry out the necessary surveys.

146. The Executing Agency is UNDTCD in association with the Mekong Secretariat and the Government Co-operating Agency is Ministry of Communications, Public Works and Transport.

147. The total UNDP input is to be about $380,000 of which $330,000 are to be used in 1980.

Reinforcement of the Civil Aviation Facilities and Services (LAO/78/026)

148. This project is designed to assist the Government in its efforts to improve the safety, regularity and reliability of its air transport operations. The project provides urgently required spare parts as well as technical expertise in order to upgrade the equipment at the Vientiane International Airport, to provide equipment to improve lighting, communications and control tower systems in provincial domestic airports and to organize training for the personnel of the Directorate of Civil Aviation.

149. The Executing Agency is ICAO and the Government Co-operating Agency is the Directorate of Civil Aviation.

150. The current project started in 1979 and is to continue until 1980. An extension to 1982 is planned to finance the cost of organizing and equipping fire-fighting brigades at the Vientiane International Airport and domestic aerodromes. The total UNDP input is then expected to be $1,035,000, of which $735,000 are to be used from January 1980 onwards.

Postal Training (LAO/79/014)

151. The project aims at improving postal services according to the Government's policy for social and economic development by training of personnel. The Executing Agency is UPU and the Government Co-operating Agency is the Ministry of Posts and Telecommunications.

152. The project is to be implemented in 1980 and the total UNDP contribution is expected to be$20,000.

b. New Project Proposals

Consultancy Services for Telecommunications (LAO/79/022)

153. This project relates to the long-term improvement of the telecommunications infrastructure to ensure adequate, efficient, reliable telecommunications service in support of the economic and social development of the country.

154. The immediate objectives are to study the operational deficiencies of the existing network, to provide the minimum and most urgently required equipment, spare parts and accessories to upgrade the existing telephone and telegraph services and to maintain continuity of service, to study the need and made recommendations for establishment of regional maintenance and repair centres and to assist the Telecommunications Training Centre in its training activities. Based upon the findings and recommendations of this project, further UNDP assistance may be provided during the 1980-1985 country programme period in some or all of the areas covered by the consultancy services which are presently envisaged.

155. The Executing Agency for this project is ITU and the Government Co-operating Agency is the Ministry of Posts and Telecommunications.

156. The initial project is to start in January 1980 and has a planned duration of three months and an estimated UNDP input of $129,500. An additional $550,000 is earmarked for telecommunications during the country programme period.

Improvement of Postal Services (LAO/79/023)

157. This project aims at increasing the number of postal establishments throughout the country and organizing them into a network. The project will be implemented in collaboration with the UNDP Regional Project RAS/77/019. The project also aims at training people through foreign fellowships.

158. The Executing Agency is UPU and the Government Co-operating Agency is the Ministry of Posts and Telecommunications.

159. The total UNDP contribution is estimated at $208,000 over a two-year period.

Feeder Road Construction (LAO/79/034)

160. The objectives of this project are to conduct feasibility studies for the improvement of 150 km of Road No. 13 (Nam Kading-Thakek), the identification of another 150 km of feeder roads and 50 km of "farm-to-market" roads in the same region, and to prepare a pilot programme of road maintenance in three provinces. In the second phase which is planned to start in 1982, based on these studies, the Government will proceed with construction work with the financial support of IBRD. Technical assistance is to be provided by UNDP.

161. The proposed Executing Agency is IBRD and the Government Co-operating Agency is the Ministry of Communications, Public Works and Transport.

162. The proposed UNDP support for the feasibility study which is expected to start in January 1980 is expected to cost $400,000. The estimated cost of the technical assistance required in 1982 is $600,000.

School for Building Technicians (LAO/79/035)

163. This project will assist in upgrading the curriculum of the school for building technicians, improving its equipment and facilities and streamlining its organization through a number of consultancy missions and the procurement of essential teaching aids and materials.

164. The proposed Executing Agency is UNCHS and the Government Co-operating Agency will be Ministry of Communications, Public Works and Transport.

165. The proposed UNDP support is expected to cost approximately $200,000 over a two-year period (1982-1983).

F. Trade

166. The country's main commodities for export are timber, wood products, tin, coffee and electricity. They are far exceeded by imports consisting mostly of food, petroleum, textiles, chemical products, metal manufactures, and paper products. A large trade deficit reflects the present inability of the country to produce enough to meet its needs and to fully exploit its export potentials.

167. A Category II project to formulate a realistic programme for expanding foreign trade has been identified for financing by UNDP, if and when resources become available.

G. Education

168. The socialist transformation of Lao society requires the adaptation of the educational system to meet the country's development needs. Consequently, the Government is progressively introducing changes in order to reshape the educational system.

169. Significant results have been obtained since 1975 in that most villages have a primary schools and, through intensive literacy programmes for adults, the literacy rate has gone up to 60 per cent.

(a) New Proposals

Rural Vocational Training (LAO/79/029)

170. The project aims at setting up a National Rural Vocational Instructor Training Centre in Vientiane and preparing for the establishment of other rural vocational training centres in the provinces. Some equipment, supplied in 1976 under an earlier project (LAO/72/002) is available for this purpose.

171. The proposed Executing Agency is the ILO and the Government Co-operating Agency will be the Ministry of Education.

172. The proposed UNDP contribution is estimated at $400,000 for a three-year project which, is planned to start in 1983. The Government hopes however that additional funds will be available to enable earlier implementation of this project.

173. The present limited availability of resources did not allow for the programming of additional UNDP assistance in this sector.

H. Public Health

174. The country's health conditions are far from satisfactory. Malaria, diarrhoea, tuberculosis, tetanus and malnutrition are among the most common diseases. The main constraint to improvement is poor transportation making it very difficult for medical supplies and health personnel to reach the population at large, the lack of facilities to preserve vaccines, and inadequate medical supplies, health care facilities and personnel.

(a) Ongoing Projects

Development Programme for Primary Health Care (LAO/78/002)

175. This project aims at developing primary health care services, promoting hygiene, training health personnel and assisting in health care planning. A great effort is being made to improve health conditions on a country-wide basis. The main areas of concentration are sanitation, health statistics and the training of nurses and health "combattants" who concentrate on educating people in the basic principles of personal health, hygiene and sanitation.

176. The Executing Agency is WHO and the Government Co-operating Agency is the Ministry of Health.

177. The project started in 1978 and is presently planned to continue until the end of 1981. The total UNDP input is presently estimated at $241,600, of which $172,600 are to be used from January 1980 onwards.

(b) New Project Proposals

Manufacture of Medicines in Tablets (LAO/79/036)

178. In line with the high priority given by the Government to the development of the pharmaceutical industry, this project will provide technical services, equipment and supplies for the establishment of a production unit for the manufacture of medicines in tablets.

179. The proposed Executing Agency is WHO, in association with UNIDO, and the Government Co-operating Agency is the Ministry of Health.

180. The proposed UNDP contribution is estimated at $300,000 over a two-year period (1982-1983).

I. Planning, Administrative and Logistical Support

(a) Ongoing Projects

General Programme Support (LAO/77/019 and LAO/79/032)

181. Due to the severe financial constraints, the Government often finds it difficult to participate effectively in various development activities related to the development of Lao PDR. Therefore, these projects were requested in order to facilitate smooth, effective participation of the Government officials concerned in a number of development activities, for which no other source of funding exists. The objectives of the project are thus to improve the level of technical know-how by means of training participation and in international forums and to enable the country to utilize effectively all external development efforts directed towards Laos. The current project (LAO/77/019) was subsequently expanded to cover the financing of two consultants in planning and a number of short-term missions.

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182. The Executing Agency is UNDP/OPE and the Government Co-operating Agency is the Ministry of Foreign Affairs.

183. The first project started in 1977 and is presently planned to continue until 1980. The total UNDP input is estimated at $116,119, of which $45,000 are planned to be used from January 1980 onwards. The estimated cost of the follow-up project is $255,000.

(b) New Proposals

United Nations Volunteers Assistance (LAO/79/012)

184. This project will enable the Government to attain its various development objectives more rapidly by making extensive use of United Nations Volunteers in a number of projects.

185. Volunteers are particularly well suited to the strengthening of middle-level technical personnel required for activities at the project sites. The technical supervision of the professional activities of the UNV's will be assured by the international and/or national personnel of the projects to which they will be assigned.

186. The proposed Executing Agency is UNV/UNDP and the Government Co-operating Agency will be the Ministry of Foreign Affairs.

187. The proposed UNDP contribution is estimated at $180,000 over a six-year period (1980-1985).

Administrative and Logistical Support to Projects (LAO/79/033)

188. This project aims at providing, where necessary, centralized administrative support services in terms of administrative, logistical and equipment support for the UNDP-assisted projects.

189. The Executing Agency is UNDP/OPE and the Government Co-operating Agency is the National Planning Committee.

190. The proposed UNDP input is estimated at $462,600 for the duration of the country programme period.

Assistance to National Planning (LAO/79/037)

191. This project will assist the relevant divisions of the National Planning Committee, through consultancy services, training and equipment, in developing their capacity to identify and prepare projects for external aid, evaluate projects proposed by technical ministries, appraise ongoing projects, co-ordinate sectoral planning and establish a technical documentation and reference centre.

192. The proposed Executing Agency is UNDTCD and the Government Co-operating Agency is the National Planning Committee.

193. The proposed UNDP contribution is estimated at $390,000 over a five-year period (1980-1984).

IV. RELATIONSHIP WITH ACTIVITIES AT THE INTER-COUNTRY AND GLOBAL LEVEL

194. Bearing in mind the large number of existing regional, inter-regional and global projects, it has to be concluded that the Lao PDR has so far derived little benefit from their activities. This should to a large extent be ascribed to the fact that such projects, trying to find the highest common denominator among the participating countries in terms of need and anticipated benefits, have not sufficiently taken into account specific conditions prevailing in Laos. However, the Government of Lao PDR has recently become actively involved in inter-country programming activities and it is expected that the future projects will be more relevant to the needs of the country.

195. The Government participates directly in the activities related to the development of the Lower Mekong Basin. Since the project is operating in Laos, its activities are of direct benefit to the country and specialists of the Mekong Secretariat can be called upon at short notice to provide technical advice.

196. Another regional project with which increasingly closer links have been established is project RAS/72/077 - Assistance to Least Developed Landlocked Countries - under which a transport economist is stationed in Vientiane.

197. Efforts are being made to establish closer relations with other ongoing regional projects.

V. SIGNIFICANT FEATURES OF THE COUNTRY PROGRAMME

198. In line with the Government's policy of self-reliance in food production and in accordance with the recommendations of the World Food Conference, the third country programme is geared to a very large extent to increased food production and improving measures for food security.

199. The third country programme provides a framework for the integration of multilateral technical and financial resources. Eight UNDP-supported projects are connected with IDA credits, five projects with AsDB loans, one project with an IFAD project, three projects with UNHCR activities and others with UNCDF, UNFPA, UNICEF, WFP and UNFDAC programmes in Laos. Furthermore, important bilateral financial and technical support is integrated with the UNDP-financed projects, particularly in the field of irrigation.

200. During the third country programme period, several Government-executed projects will be introduced for the first time. Due to the particularly difficult situation of the country, which is least-developed, most seriously affected, food deficient, and land-locked, technical co-operation will be provided at all stages of the development process including financing of local costs and enlarged co-operation with capital assistance sources.

201. Because of the profound political, social and economic changes that have occurred in the country, the second country programme had to be fundamentally restructured during the programme cycle. As a result, a number of the projects included therein were not effectively initiated until 1979, and therefore, out of a total of 52 projects in the third country programme, 21 are already ongoing, representing a total value of $7,9 million, while $16 million are for new projects. Consequently, only one project (LAO/74/010 - Integrated Woodworking), which started in 1974, has had to be extended, but is now expected to be completed in June 1980.

202. Due to the unusual need in Laos for United Nations System assistance in the form of operational technical personnel for UNDP-supported projects, the UNDP is requested to finance a number of such personnel under Technical Co-operation among Developing Countries (TCDC) arrangements.

203. Additionally, in order to reduce the cost of providing expertise and to encourage the utilization of accumulated non-convertible currencies, UNDP assistance will be used to finance the provision of technical personnel under sub-contract arrangements with those countries with accumulated non-convertible currencies.

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Annex I

Financial Summary

A. Amounts programmed

Year	($'000)
1980	5,760
1981	4,860
1982	3,754
1983	3,574
1984	3,301
1985	2,677
Reserve	1,363
Total	25,199

B. Resources taken into account for programming

Resources available	($'000)
(a) IPF resources	23,247
(b) SMF/LDC funding	439
(c) LLC funding	30
(d) Allowance for adequate programming	1,483
Total	25,199

Annex II

ASSISTANCE PROVIDED BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM OTHER THAN UNDP [1]

Source	Project or activity	Planned Expenditures (US$)	Period covered
WHO	Health Services Development	317,400	1980-81
	Country Health Programming	239,800	1980-81
	Family Health	314,700	1980-81
	Disease Prevention and Control	18,000	1980-81
	Promotion of Environmental Health	14,900	1980-81
	Health Manpower Development	605,800	1980-81
	UN programmed resources	1,000,000	1982-83
WFP	Community Development in the Vientiane Plain	1,335,330	1980-81
UNICEF [2]	Primary Education	1,929,600	1980-81
	Primary Health Care	1,355,000	1980-81
	Preschool Child Care	134,000	1980-81
	Logistics	235,000	1980-81
	Nutrition	131,000	1980-81
	Programming	200,000	1980-81
	Emergency Programme	100,000	1980-81
UNHCR	Assistance to repatriates	50,000	1980
	Hospital construction	175,000	1980
	School construction	25,000	1980
	Irrigation	250,000	1980
	Resettlement of repatriates [3]	1,500,000	1980
UNFPA	Demographic and Statistical Data Collection	63,000	1980-81
UNFDAC		350,000	1980-81

[1] It is anticipated that the ultimate total will be higher as additional contributions become available during the period 1980-1986.

[2] The amounts shown will partly be financed by specific donor countries whose commitments have not been confirmed as of yet.

[3] Pending approval donor.

Annex II (cont'd.)

Source	Project or activity	Planned Expenditures (US$)	Period covered
UNCDF	Strengthening of the rice milling industry	825,000	1981
	Irrigation Dam Houei Vang He	1,900,000	1980-82
	Establishment Irrigation Brigade	1,590,000	1980-82
IBRD/IDA	(a) Approved Loans		
	Agricultural Rehabilitation and Development I	5,400,000	1980-82
	Agricultural Rehabilitation and Development II	10,400,000	1980-82
	(b) Planned Loan		
	Agro-Industries Rehabilitation	11,400,000	1980-85

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UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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24 March 1980
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GOVERNING COUNCIL
Twenty-seventh session
June 1980
Agenda item 6(b)

Country and intercountry programming and projects

COUNTRY PROGRAMME OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

Note by the Administrator

Programme period	IPF for 1977-1981
1980-1985	$17.75 million

I. Nature of the programming exercise

1. Preparations for the third country programming exercise began in the second quarter of 1978 with a series of sectoral analyses undertaken by the Government in collaboration with the Specialized Agencies, whose participation was co-ordinated by the UNDP Resident Representative. Organizations such as the World Bank, United Nations Capital Development Fund, United Nations High Commissioner for Refugees, United Nations Children's Fund, United Nations Fund for Population Activities, the International Fund for Agricultural Development and the Asian Development Bank were involved in order to provide for the integration of technical and financial assistance. Consultations with bilateral donors and non-governmental institutions were undertaken to prevent overlapping and to ensure the complementarity of their activities.

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2. The main programming exercise began in March 1979 when an interministerial working group, chaired by the National Planning Committee, was created. Following extensive deliberation among the parties concerned, the proposed programme of UNDP assistance was approved by the Council of Ministers in November 1979 for submission to the Governing Council. Throughout the exercise, the UNDP office in Vientiane played an important promotional and co-ordinating role in obtaining assistance from the various multilateral sources.

II. Assessment of the previous country programme

3. The second country programme 1975-1979 was approved by the Governing Council prior to the establishment of the present Government. The Government therefore decided to review the programme in the light of its enormous needs for reconstruction and rehabilitation. In the meantime, some ad hoc but urgent programmes were undertaken. The restructured programme is fully in accordance with the development priorities of the Government which are summarized in the following paragraphs.

4. After many years of conflict, the Government's priorities were, principally, the resettlement of displaced persons and the rehabilitation and development of the agricultural base aimed at self-sufficiency in food production. UNDP assistance is therefore concentrated in the agricultural sector for the purpose of increasing crop production, primarily rice, in order to meet the population's need for food. The change in the sectoral distribution of the IPF resources is apparent in the following table.

Table 1

Distribution of the IPF by sector: 1975-1979

	Per cent	
	Planned	Actual
Infrastructure	8.3	13.3
Agriculture	6.1	57.1
Natural resources	4.5	-
Industry	5.0	14.6
Human resources	34.0	5.2
Health	7.0	3.2
Economic and social planning	2.8	4.0
Miscellaneous	0.7	2.6
Reserve	31.6	-
	100.0	100.0

5. Because of a serious drought in 1977 and floods in 1978, UNDP funds were used to meet emergency needs and, at the Government's request, the UNDP office assisted in mobilizing and co-ordinating the emergency assistance programme.

6. As Government structures and management evolved, UNDP-assisted projects expanded from the Vientiane Plain to central and southern provinces which have high economic potential with respect to the resource base.

7. In addition to the common problems in expert recruitment and fellowship placement, delays have been experienced in the import of equipment and supplies because the Lao People's Democratic Republic is landlocked. However, project implementation is building momentum; the annual disbursements from the UNDP IPF gradually increased from $1.5 million in 1977 to $4.6 million in 1979. The following table depicts the build-up of the programme in recent years

Table 2

Phasing of UNDP inputs: 1975-1979

	($000)
1975	1 503
1976	1 233
1977	1 495
1978	2 249
1979	4 620 (est.)
Unprogrammed Reserve	-
Total	11 100

8. In view of the acute shortage of trained human resources many of the projects provided for short-term, stop-gap training of technical personnel. These efforts are being integrated into the establishment of more permanent facilities for agricultural and technical education and training.

9. UNDP undertook to finance technical expertise, equipment and training in support of World Bank (IDA)- and AsDB- assisted projects. Co-operation with UNICEF, UNHCR, the United Nations Fund for Drug Abuse Control and others was initiated during the period. Table 3 shows the distribution of UNDP assistance, by component.

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Table 3

Distribution of IPF by Component: 1975-1979

Component	1975 (actual)	1976 (actual)	1977 (actual)	1978 (actual)	1979 (planned)	1975-1979	Per cent
			($000)				
Experts	1 090	629	311	523	1 340	3 893	32.6
Subcontracts	-	301	307	166	322	1 096	9.2
Training	130	101	29	47	263	570	4.8
Equipment	264	166	815	1 439	3 316	6 000	50.2
Miscellaneous	19	36	33	74	224	386	3.2
Total	1 503	1 233	1 495	2 249	5 465	11 945	100.0

III. Relation of the country programme to national development objectives

10. The priorities of the Government's Three-Year Interim Plan (1978-1980), which is to be followed by a Five-Year Plan (1981-1985), are as follows:

(a) Self-sufficiency in food (through increased irrigation and double-cropping);
(b) Reorganization of agriculture and forestry production (through progressive introduction of co-operative systems);
(c) Industrial development (emphasis on agro-based industries);
(d) Increased livestock production;
(e) Reconstruction and expansion of the road network;
(f) Resettlement of displaced persons, abandonment of slash and burn agriculture and crop substitution for opium-growing farmers;
(g) Expansion of education and literacy and development of vocational training programmes; and
(h) Improvement of health services.

11. The 1980-1985 country programme is designed to contribute to the attainment of the principal development objectives of the Government and is expected to constitute an important source of external assistance during the plan period. In response to the Government's priorities, the country programme concentrates heavily on increased food production and measures to improve food security. Also, the programme provides the basis for the integration of financial and technical assistance from other sources with a number of UNDP-supported projects, particularly in irrigation.

IV. Content and phasing of the country programme

12. Of the 52 projects identified in the country programme, 21 are ongoing and include a total estimated UNDP contribution of $7.8 million; $16 million is allocated for the 31 new projects. Because of the profound political, social, and economic changes in the country and the resultant need to restructure the second cycle country programme, there is only one ongoing project which dates back to 1974. All of the other ongoing projects started between 1977 and 1979.

13. The Government continues to assign high priority to a number of activities aimed at self-sufficiency in food production in the third cycle country programme. Assistance in other sectors, such as natural resources and industry, is also geared, to a large extent, to the need to ensure an adequate supply of food. Considerable UNDP resources are therefore directed towards agricultural land and water development projects.

14. For the 1980-1985 country programme, some carefully selected Government-executed projects are being proposed. Due to the particularly disadvantaged situation of the country (which is among the least-developed countries, the most seriously affected countries, the food deficit and landlocked countries), a broad range of assistance will be provided at all stages of the projects, including the financing of local costs and expanded co-operation with capital assistance sources. A number of the UNDP-supported projects are directly connected with assistance provided by the World Bank (IDA), AsDB, IFAD, UNHCR, UNCDF, UNFPA, UNICEF, WFP, UNFDAC.

Table 4

Sectoral breakdown of programmed resources

Sector	Ongoing projects		New projects		Total	
	Value ($000)	Per cent	Value ($000)	Per cent	Value ($000)	Per cent
General Development	45	0.6	1 287	8.0	1 332	5.3
Natural resources (irrigation and flood control)	1 728	22.0	4 437	27.8	6 165	24.5
Agriculture, forestry and fisheries	4 171	53.1	5 969	37.3	10 140	40.2
Industry (agro-based)	475	6.0	2 001	12.6	2 476	9.8
Transport and communications	1 085	13.8	1 887	11.8	2 972	11.8
Health	173	2.2	-	-	173	0.7
Education	178	2.3	-	-	178	0.7
Employment	-	-	400	2.5	400	1.6
Reserve	-	-	-	-	1 363	5.4
	7 885	100.0	15 981	100.0	25 199	100.0

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Table 5

Breakdown according to function

Function	Ongoing projects Value ($000)	Ongoing projects Per cent	New projects Value ($000)	New projects Per cent	Total Value ($000)	Total Per cent
Institution-building projects	5 290	67.3	4 445	27.8	9 735	38.6
Direct support projects, including investment-oriented projects	1 155	14.7	4 559	28.5	5 714	22.7
Direct training projects	1 365	17.4	5 960	37.3	7 325	29.1
Pilot projects	-	-	120	0.8	120	0.5
Special support projects	45	0.6	897	5.6	942	3.7
Reserve	-	-	-	-	1 363	5.4
	7 855	100.0	15 981	100.0	25 199	100.0

Table 6

Resources taken into account for programming

	($000)
Balance of the second cycle IPF (1980-1981) [a]	9 047
Resources assumed for 1982-1985 (four-fifths of current IPF) [b]	14 200
SMF/LDC funds available	439
LLDC funds available	30
Allowance for adequate programming	1 483
	25 199

[a] This figure represents the difference between the 1977-1981 IPF after adjustment for over-expenditure from the first cycle ($17,411,000) and expenditure for the years 1977-1979 ($8,364,000)

[b] This figure is estimated for planning purposes and it does not imply any commitment of resources by the Governing Council in the third cycle.

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Table 7

Phasing of the country programme

Year	($000)
1980	5 670
1981	4 860
1982	3 754
1983	3 574
1984	3 301
1985	2 677
Reserve	1 363
Total	25 199

V. Recommendation of the Administrator

15. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP country programme for Lao People's Democratic Republic for the duration of its programme period within the limits of its Indicative Planning Figure for 1977-1981, taking into account the balance of over-expenditure or under-expenditure of its 1972-1976 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the country programme while ensuring, in accordance with the decision of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.

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